

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**URGENT MOTION TO COMPEL THE
COMMONWEALTH TO COMPLY WITH THE FIRST AMENDED ORDER
SETTING PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

The Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “**Retiree Committee**”), respectfully files this urgent motion (“**Motion**”) for entry of an order directing the Commonwealth of Puerto Rico (the “**Commonwealth**”) to comply with this Court’s *First Amended Order Setting Procedures For Interim Compensation And Reimbursement Of Expenses of Professionals* [Dkt. No. 1715] (the “**Interim Compensation Order**”). In support of this Motion, the Retiree Committee states:

1. Pursuant to Orders of this Court, the Retiree Committee employed the law firms of

¹ The Debtors in these jointly-administered PROMESA title III cases, along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric and Power Authority (Bankruptcy Case No. 17 BK 4780) (Last Four Digits of Federal Tax ID: 3747).

Jenner & Block LLP and Bennazar, Garcia & Milián, C.S.P. as its legal counsel, FTI Consulting as its financial advisors, Segal Consulting as its actuarial advisors, and Marchand ICS as its Information Agent (collectively, the “**Retiree Committee’s Professionals**”). [See Dkt. Nos. 1002, 1003, 1004, 1413, 1415.] Jenner, Bennazar, FTI, and Segal have been providing services to the Retiree Committee since June 2017. Marchand has been providing services to the Retiree Committee since July 2017.

2. Consistent with the Interim Compensation Order, the Retiree Committee’s Professionals timely served monthly statements for the fees and expenses incurred on behalf of the Retiree Committee on the Puerto Rico Fiscal Agency and Financial Advisory Authority (“**AAFAF**”) and the Financial Oversight and Management Board (the “**FOMB**”), as well as the other notice parties. (Interim Compensation Order ¶ 2.)² Neither AAFAF, nor the FOMB, nor any other party has objected to any monthly statement served by the Retiree Committee’s Professionals.

3. Pursuant to paragraph 2.c of the Interim Compensation Order, following the expiration of the 10-day objection period to monthly statements, “the Debtors in whose cases such Professionals are retained and/or employed shall promptly pay, and in no event pay later than fourteen (14) calendar days after receiving the Monthly Fee Objection Statement, the Professional an amount equal to the lesser of (i) 90% of the fees and 100% of the expenses requested in the applicable Monthly Fee Statement.” (Interim Compensation Order ¶ 2.c.)

4. Notwithstanding the mandatory language of the Interim Compensation Order, and despite numerous e-mails and follow up on behalf of the Retiree Committee’s Professionals, the

² Jenner and Segal have served monthly statements through November 2017. FTI has served monthly statements through October 2017. The other Retiree Committee Professionals have served monthly statements through September 2017.

Commonwealth has not paid *any* of the Retiree Committee's Professionals for *any* of their more than six months of work. By contrast, the Retiree Committee understands based on the fee applications that were filed with the Court on December 15, 2017, that the professionals for AAFAF and for the FOMB *have* been paid their fees and expenses. The Retiree Committee does not perceive any reason for its less favorable treatment.

5. The Retiree Committee's Professionals have worked in earnest with counsel for AAFAF and the FOMB to resolve this issue without motion practice. Back on October 30, 2017, the undersigned counsel re-submitted wiring instructions and other information at the request of counsel for AAFAF, even though the information had been previously provided. Over the ensuing month and a half, indications were made that payment would be forthcoming.

6. Despite assurances that payment would be made, as of the filing of this Motion, the Retiree Committee's Professionals remain unpaid. Specifically, after numerous communications from and after discovering on December 15 that certain professionals had been paid all along, the Retiree Committee's Professionals were advised on Wednesday, December 20, that the FOMB had provided all necessary authorization to AAFAF and the Commonwealth, as of approximately 12:30 p.m. Eastern Time that day, for the payment of the Retiree Committee's Professionals and other professionals (on information and belief, certain other professionals have also not received payments that are due and owing). Yet, more than 48 hours later and despite follow-up inquiries by the Retiree Committee's Professionals, no payments have been initiated by the Commonwealth, in derogation of the Interim Compensation Order. Under the current time constraints, the Retiree Committee's Professionals feel compelled to file this Motion at this time. The Retiree Committee's Professionals advised both AAFAF and the FOMB in advance of filing the Motion and remain hopeful that this matter can still be resolved consensually without the need for Court

intervention.

7. This situation is particularly difficult on the Retiree Committee's co-counsel in Puerto Rico, whose offices were destroyed by Hurricane Maria and who are trying to rebuild those offices.

8. Accordingly, so that the Retiree Committee's Professionals may be paid before year-end, the Retiree Committee's Professionals seek expedited consideration of this Motion and the entry of an order directing the Commonwealth to pay all fees and expenses of the Retiree Committee's Professionals due under the Interim Compensation Order by year-end.

WHEREFORE, the Retiree Committee's Professionals respectfully request entry of an Order directing the Commonwealth to comply with the Interim Compensation Order and to pay to the Retiree Committee's Professionals, on or before December 28, 2017, all fees and expenses due under the Interim Compensation Order.

December 22, 2017

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By:

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Respectfully submitted,

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